## 12/7/78

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Memo	Brzezinski to Pres. Carter,		
P	Brzezinski to Pres. Carter, w/attachments 20 pp., re:Congressional Foreign Policy Discussion	6/19/78	A
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### FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 12/7/78 Box 111

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## THE PRESIDENT'S SCHEDULE

## Thursday - December 7, 1978

8:00	Dr. Zbigniew Brzezinski - The Oval Office.
8:45 (45 min.)	Breakfast with White House Reporters. (Mr. Jody Powell) - The State Dining Room.
10:30	Mr. Jody Powell - The Oval Office.
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11:30 (20 min.)	Mr. Alfred Kahn - The Oval Office,
12:30 (60 min.)	Lunch with Mrs. Rosalynn Carter - Oval Office

2:00 (2 hrs.) Foreign Policy Briefing for New Senators.

(Mr. Frank Moore) - The Residence Library.

#### THE WHITE HOUSE

WASHINGTON

December 7, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE F.M. /BR

SUBJECT:

Today's Briefing for New Senators

Although our previous memo had a different order, I think that in today's briefing after your remarks, it would be appropriate for you to introduce the other speakers in the following order:

Dr. Brzezinski - to provide a brief overview in a theoretical way to give a framework to the discussion.

Secretary Brown - to discuss national security policy, SALT, and our defense posture.

Under Secretary Newsom - to discuss our negotiations in the Middle East, Southern Africa, trade and aid legislation and human rights.

#### THE WHITE HOUSE

WASHINGTON

### MEETING WITH NEW SENATORS

Thursday, December 7, 1978

2:00 p.m. (2 hours)

thought you wish > Blue Room

Frank Moore F.M. From:

Zbigniew Brzezinski

#### I. PURPOSE

To brief new Senators about foreign policy priorities-with an emphasis on SALT.

#### II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: We have asked the new Senators to Α. come and meet with you, Secretary Brown, Under Secretary Newsom, and Dr. Brzezinski to be briefed on your foreign policy priorities. We think it would be appropriate to place significant emphasis on SALT.

You will open the briefing session. We suggest that you review your foreign policy goals (Tab A). You should also describe your foreign policy priorities. They include:

- 1. SALT II
- 2. Peace in the Middle East
- 3. Defense Budget
- Comprehensive Test Ban 4.
- 5. MTN
- 6. Foreign Assistance
- 7. Intelligence Charters

UNCLASSIFIED WITH SECRET ATTACHMENT We think the briefing should take approximately 1 hour--with the rest of the time devoted to Q's and A's.

You will want to spend a large portion of your time on SALT. We think it would be most useful for you to give your views of why you think a SALT agreement is important, what we have achieved so far, and the status of the negotiations. To refresh your memory, unresolved issues at Tab B.

We think you should keep the tone generally upbeat.

Secretary Brown will follow you and will speak about national security policy and our defense posture. He will be prepared to speak on SALT also.

Under Secretary Newsom will cover in more detail our other negotiations in the Middle East and Southern Africa. He will discuss Iran and Nicaragua, as well as Foreign Assistance and the MTN.

Dr. Brzezinski will be prepared to summarize.

## B. Participants:

Senator Frank Church (D-Idaho) \*
Senator Alan Cranston (D-Cal.) \*
Senator Max Baucus (D-Mont.)
Senator David Boren (D-Okla.)
Senator Rudy Boschwitz (R-Minn.)
Senator Bill Bradley (D-N.J.)
Senator David Durenberger (R-Minn.)
Senator Gordon Humphrey (R-N.H.)
Senator Carl Levin (D-Mich)
Senator Alan Simpson (R-Wyomong)
Senator John Warner (R-Va.)

Secretary Brown, Under Secretary for Political Affairs Newsom, Dr. Brzezinski

State: Doug Bennet

DoD: Jack Stempler

WH/NSC Staff: Dan Tate, Bob Beckel, Madeleine Albright

\*We invited Foreign Policy and Defense leaders in the Senate to attend also; only Church and Cranston could attend.

C. Press Plan: White House press photographer. Brief photo session with open mikes.

## III. TALKING POINTS

- 1. The SALT negotiations are part of a continuing process which began in 1969.
  - Started in Johnson Administration; firm commitment from succeeding Administrations.
  - Clear positive accomplishments to date, even though not happening as fast as we would like.
  - SALT II agreement sets new standards for attention to detail: definitions, measures to enhance verification, elimination of ambiguity.
- From the perspective of the security interests of the U.S. and its allies, there are two fundamental objectives in pursuing the SALT process.
  - The SALT agreement must permit the U.S. to maintain strategic forces which are at least equal to those of the Soviet Union.
  - SALT should maintain and, if possible, enhance the stability of the strategic balance, thereby reducing the possibility of nuclear war.
- 3. SALT will enhance our national security, and that is the principal test against which the agreement's terms must be measured. It is a matter of major national significance and warrants thorough examination and review. I am confident that Congress and the public will conclude that this is an agreement which is in our national security interest.
- 4. What the SALT agreement will accomplish:
  - -- Curb competition in strategic arms through:

- Various numerical limitations on:
  (1) the aggregate number of strategic delivery vehicles; (2) the combined number of MIRVs and ALCM-carrying bombers; (3) total number of MIRVs; and (4) MIRVed ICBMs.
- Limitations on new types of ICBMs.
- Limitations on throw weight and the number of RVs that can be deployed on missiles.
- Bans on potential new types of systems not yet deployed: ballistic missiles on surface ships, FOBs.
- Also important commitment to begin reductions in force levels: 2400 reduced to 2250 by end of 1981.
- Will force the Soviet Union to dismantle and destroy in excess of 250 strategic weapons that are now targeted against the U.S., while the U.S. will be able to keep all of its operational systems.

### -- Eliminate wasteful arms race:

- In absence of SALT, both sides would significantly increase force levels with no net gain in security and, in fact, diminished security.
- Permits commitment of funds to needed general purpose force improvements.
- -- Serve to stabilize relationship between the U.S. and the Soviet Union.
  - Eliminates a problem caused by unpredictability of future force levels.

- -- Reduce Soviet force levels and constrain Soviet strategic force modernization programs.
  - In absence of SALT, Soviets likely to have nearly 3000 strategic delivery vehicles and nearly 2000 MIRVed missiles.
- -- No impact on U.S. force levels or strategic force modernization programs.
  - No U.S. reductions.
  - M-X, Trident, ALCM programs continue as planned.
  - May have to phase out a few MIRVed missiles near end of Treaty period.
- -- Establish principle of equality in strategic forces.
  - Eliminates political problems which could result from Soviet numerical advantages in accuracy, reliability, ASW, cruise missiles, etc.
  - Consistent with Congressional resolution approving SALT I agreement which called for equal levels of "intercontinental strategic forces."
- 5. The U.S. will not be relying upon Soviet good faith in adhering to the terms of SALT II. We have insisted upon fully preserving our ability to independently verify Soviet compliance. We shall rely on our national technical means of verification which include a wide variety of powerful and sensitive intelligence collection devices, including photoreconnaissance satellites. These systems will enable us to monitor the deployment of strategic systems by the Soviet Union, count their numbers, and assess their capabilities.

- 6. We have come a long way in the negotiating process. Though there are still some unresolved issues, I am hopeful that a new agreement can be completed in the near future.
- 7. I will not sign any agreement which I do not think is in the best interests of the U.S.

Attachments



WASHINGTON

SECRET

June 19, 1973

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Congressional Foreign Policy Discussion

## I. Your Conduct of the Meeting

- 1. Since this is clearly a meeting with the President, you should set the tone for it through an opening statement, and then ask for only brief (5-10 minutes) supplementary comments by Cy, Harold, and myself. I would urge you to impose strict time constraints on your supporting cast. Otherwise the Congressmen will feel "talked at" instead of being "talked with."
- 2. Cy will be prepared to comment on the state of our key negotiations (SALT, Middle East, Southern Africa); Harold on our defense posture (NATO, and, if needed, SALT); I on the China trip or more generally on broad global changes.

## II. Your Overview

of a more just and equitable international system for a world that has now become more politically awakened (and you might mention the emotional outpouring of the Panamanians as an example) and that thus cannot be confined to a system dominated exclusively by the developed countries. The world now includes more than 150 nation-states, and their aspirations as well as participation requires a wider framework. Unlike the years 1945-1950, when America played a creative role in shaping the post-World War II international system, this calls not for a predominantly American response but for more subtle inspiration and cooperative leadership on a broader front.

In effect, we are seeking to shape a cooperative global community, while attempting to dampen the more traditional East-West conflicts and to resolve the novel global and North-South issues.

DECLASSIFIED

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BY NARS, DATE 412 93

SECRET

## Your Ten Key Goals -- and Our Performance

Early in 1977 you set yourself ten key goals as a way of achieving a more equitable international system.

## Your Key Goals

- To engage Western Europe, Japan, and other advanced democracies in closer political cooperation, thereby also providing wider macroeconomic coordination among them.
- To weave a worldwide web of bilateral, political, and economic cooperation with the new emerging regional powers, thereby extending our earlier reliance on Atlanticism to include such newly influential countries as Venezuela, Brazil, previous point. Nigeria, Saudi Arabia, Iran, India, Indonesia in a wider pattern of international cooperation.
- To exploit the foregoing in the development of more accommodating North-South relations, both political and economic, thereby reducing the hostility toward the United States that in recent years has developed within the Third World.

## Response

The first Summit was quite useful; the second is about to be held; more frequent and more direct personal top-level contact and consultations than eve before (including phone calls).

Your two trips were designed to advance that goal; the Vice President has recently been to Indonesia: U.S. has better relations with all of those mentioned than at any

We have made excellent progress politically; here especially noteworthy is the breakthrough in Panama and the formulation of a new policy towards Latin America, a policy no longer based on a single slogan but one which recognizes both the importance of bilateral relations with individual Latin American countries and the global character of many of their concerns. However, so far we have not done enough to formulate an economic policy dealing with North-South problems.

4. To push U.S.-Soviet strategic arms limitation talks into strategic arms reduction talks, to widen the scope of American-Soviet collaboration by engaging the Soviet Union in a wider pattern of negotiating relationships, thereby making detente both more comprehensive and reciprocal.

- 5. To normalize U.S.-Chinese relations in order to preserve the U.S.-Chinese relationship as a major stabilizing factor in the global power balance.
- 6. To seek a comprehensive Middle Eastern settlement, without which the further radicalization of the Arab world and the reentry of the Soviet Union into the Middle East would be difficult to avoid.
- 7. To set in motion a progressive and peaceful transformation of South Africa and to forge closer cooperation with the moderate black African countries.

We have made progress on a wide range of bilateral issues and are pressing to get SALT. At the same time, we have finally made the Soviets aware that we are concerned over their lack of restraint in the use of military proxies in Africa. We do not expect the cold war to revive and we are prepared both to compete and to cooperate simultaneously. At the same time, we have developed more extensive relations with East European states -- both those externally independent and those internally more liberal.

We remain committed to such normalization; in the meantime we are broadening the scope of our bilateral relations and have recently held mutually useful global consultations.

The last year has been one of remarkable progress. We are disappointed with the most recent Israeli answer, but will continue to press for negotiations. In the meantime, we are continuing our efforts to draw the moderate Arabs into closer ties with the West.

We have made progress on Namibia and Rhodesia. Moreover, we have established more positive relations with a larger number of African countries. At the same time, we are concerned that the Soviet/Cuban intrusion 8. To restrict the level of global armaments and to inhibit nuclear proliferation through international agreements as well as unilateral U.S. acts.

9. To enhance global sensitivity to human rights through pertinent U.S. actions, comments, and example, thereby also seizing the ideological initiative.

10. To renovate the U.S. and NATO defense posture in keeping with the requirements posed by the Soviet arms buildup.

into Africa will interfere with our efforts to obtain peaceful accommodation; moreover, African governments remain quite vulnerable to such significant external military presence.

We have now developed a policy of U.S. restraint on the sale of arms, while the INFCE program is a very tangible response to what is now increasingly recognized to be a genuine global problem.

While progress has been uneven, there is not a continent which is unaware of U.S. concerns; moreover, tangible progress has been made in a number of Latin American and Asian countries.

The recent NATO Summit reflects tangible progress; the Long-Term Defense Program is a tangible expression, as is the reinforcement of the U.S. commitment.

## III. Four Likely Problem Areas

The legislators are likely to be most concerned with the state of U.S.-Soviet relations; our African policy; the Middle East; and perhaps China.

I would suggest the following comments:

1. U.S.-Soviet relations: Our long-term objective remains constant: to prevent the spread of Soviet influence, to reduce the risk of nuclear confrontation with the Soviet Union, and to increasingly assimilate the Soviet Union in wider international cooperation. The recent public exchanges were necessary to convince the Soviets that we are serious about our concerns, namely that the Soviet Union is overly inclined to use its growing military power to exert political pressure and particularly to

exploit Third World turbulence, thereby preventing moderate solutions to international problems. We have repeatedly tried through private correspondence to convince Brezhnev that we are serious. Your speech reaffirmed our commitment to a detente based increasingly on mutual restraint and on reciprocity. We want to draw the Soviet Union into a wider fabric of international cooperation.

Africa: Our central objective is the creation of majority rule governments and elimination of racial oppression. At the same time, we want to avoid a situation in which East-West and North-South conflicts intersect. This is precisely why we object so strongly to the Soviet/Cuban intrusion. It makes moderate solutions more difficult to achieve and it runs the risk of transforming difficult regional problems into graver international conflicts. We would like the Africans, particularly acting through the OAU, to resolve African problems themselves.

Middle East: You might express cautiously your disappointment at the recent Israeli response. Any peaceful solution must be based on the complete application of UN Resolution 242. I would suggest you simply ask the legislators for their advice, without being too specific on what we might do next.

China: You might make the point that we remain committed to normalization, and that in the meantime it is in our mutual benefit to widen the scope of our global cooperation. You might mention that I specifically told Chairman Hua on your behalf that we seek closer relations with China for long-term strategic reasons and not because of any tactical expediency. How fast we move on normalization depends on our ability to negotiate successfully some of the outstanding issues; it also depends on Congressional attitudes, and here asking for their advice may also be the best way to deal with the issue.



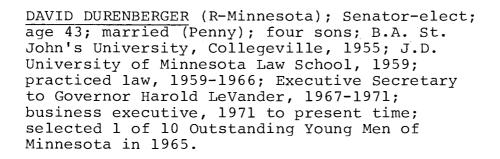
#### UNRESOLVED ISSUES

- -- While there are still a few issues that remain to be resolved, I am hopeful that a new agreement can be completed in the near future.
- The cruise Missile Definition. The first is what we call the cruise missile definition issue. This concerns whether the cruise missile limits in the agreement will apply to conventionally-armed as well as nuclear-armed cruise missiles. The issue is one of trading off the verification advantages of including conventionally-armed cruise missiles in the limitations (since they really can't be distinguished from nuclear-armed cruise missiles) against the potential impact on cruise missiles for conventional applications. We would prefer to defer this issue to SALT THREE, but the Soviets are arguing that it should be settled now, and that conventionally-armed cruise missiles should be covered by the limitations.
- Telemetry Encryption. A second issue concerns telemetry which is the data transmitted from missiles during the testing phase. This data includes measurements of flighttest parameters such as accelerations and fuel flow rates which reveal whether the missile is performing according to design specifications. We have taken the position that, in a number of instances, telemetry data is relevant to verification, and that any deliberate denial of this information, such as through encryption or encoding, would be inconsistent with the agreement. The Soviets have not as yet agreed to this position. As you might expect, they are reluctant to accept our right to have access to such test data since it does reveal the operational characteristics of the missiles being tested. less, there are certain provisions of the agreement (for example, telling an MRV from a MIRV and measuring throw weight) for which we believe such data is needed for adequate verification.
- -- ALCM Numbers. A third issue concerns limiting the number of air-launched cruise missiles (or ALCMs) that can be carried on a heavy bomber. We have agreed with the Soviets that there should be a limit on the average number of ALCMs per heavy bomber; however, we have not yet agreed on what the average limit should be. However, we are not far apart, and I don't expect this issue to be difficult to resolve.

- -- ICBM Fractionation. A fourth and related issue concerns limits on the number of weapons (or reentry vehicles) that can be placed on an ICBM. We have argued that there should be no increase in the numbers of weapons on currently deployed ICBMs. The Soviets are arguing for the right to increase this number.
- -- Backfire. One last issue which you will be hearing a lot about in the future concerns the Backfire bomber. This is a new Soviet bomber which they claim is exclusively for use in theater missions with no meaningful capability against the US. However, we are quite certain that it could reach the United States, admittedly, however, only on one-way, high altitude, subsonic missions. The Soviets have argued that this type of mission is not militarily realistic and also that we have hundreds of aircraft based in Europe that could similarly reach the Soviet Union, some on two-way missions. The outcome on this issue will be an exchange of statements including, in particular, a freeze on the Backfire production rate.
- -- As you can see, the issues which remain, while important, do not bear as heavily on the strategic balance as many of the issues which we have already resolved. For this reason, we believe that, with a constructive attitude on the part of the Soviet Union, a new agreement should be achievable in the near future.
- -- On the issue of whether the agreement will be submitted to the Congress as an agreement or a Treaty, my preference for a Treaty. However, no final decision on this issue has been made, and we will continue to consult closely with both Houses of Congress to determine the best course of action. I recognize and respect the Senate's traditional prerogatives in areas such as these.



BILL BRADLEY (D-New Jersey); Senator-elect; born in 1943; married (Ernestine); one child (daughter); B.A. Princeton University, 1965; Rhodes Scholar, Oxford, England, 1967; Olympic gold medalist, 1964; twice an All-American in basketball while at Princeton. While at Oxford, worked as an overseas correspondent for CBS radio. Began his 10-year career as a professional athlete with the New York Knicks in 1967; taught basic educational skills at an Urban League street academy in 1968 and later worked as an assistant to the director of the Federal Office of Economic Opportunity in Washington, D.C. He was named as one of the 200 young leaders in America by TIME magazine in 1975, and in 1977 the U.S. Jaycees named him one of America's Ten Outstanding Young Men.



GORDON J. HUMPHREY (R-New Hampshire); Senatorelect; born October 9, 1940, Bristol, Connecticut. Attended George Washington University, University of Maryland, and Burnside-Ott Aviation Institute, Flight Proficiency, Dallas, Texas. Civilian ferry pilot, 1964-1965; pilot with Universal Air Transport, Detroit, 1966-1967; pilot, Allegheny Airlines, 1967-present.



Bill Bradley.

D. New Jersey



David Durenberger R, Minnesota



Gorden Humphrey R, New Hampshire

RUDY BOSCHWITZ (R-Minnesota); Senator-elect; married (Ellen); four sons; law degree from the New York University Law School; received a degree from John Hopkins University in Baltimore; started his own business in 1963 called Plywood Minnesota; state chairman for American Cancer Society in 69,70,71; state chairman of the Minnesota Mental Health Association 74; state chairman of the Kidney Foundation 76,77; elected 1971 to Republican National Committee, nation's youngest Committeeman; hobbies are tennis, reading, listening to music.

DAVID L. BOREN (D-Oklahoma); Senator-elect; married (Molly); two children; honor graduate of Yale University; selected as a Rhodes Scholar and attended Oxford University; Master's Degree in government from Oxford with honors; attended Oklahoma University College of Law; named one of the Ten Outstanding Young Men in America by U.S. Jaycees; chairman of the five-state Ozarks Regional Commission; former chairman of the Interstate Oil Compact Commission; past chairman of the Southern Growth Policies Board; Vice-chairman of the NGA's Human Resources Committee; Vice-chairman of the Southern Governors' Conference; serves as chairman SGC Energy Committee.

MAX S. BAUCUS (D-Montana); Senator-elect; married (Ann) one child; born December 1, 1941; graduated Stanford University B.A.; LL.B Stanford University Law School; attorney Civil Aeronautics Board; attorney and legal assistant to Chairman, Securities and Exchange Commission; served in Montana House of Representatives 73,74; elected to the 94th and 95th Congress.





David Boren D. Oklahoma



Carl Levin (D-Michigan); 44 year old Senatorelect; graduate of Swarthmore College and Harvard Law School; practicing attorney; Assistant Attorney General and General Counsel for Michigan Civil Rights Commission, 1964-67; Special Assistant to the Attorney General of the State of Michigan, 1968-69; Chief Appellate Defender for the City of Detroit; City Council of Detroit, 1969, President, 1973-78. Married (Barbara).



Carl Levin D, Michigan

Alan K. Simpson (R-Wyoming); Senator-elect; born September 2, 1931 in Denver, Colorado; B.A., 1954, J.D., 1958, University of Wyoming; Episcopalian; married (Ann); three children; practicing attorney; City Attorney of Cody, Wyoming, 1959-69; Assistant Attorney General of Wyoming, 1959; U. S. Commissioner, 1959-69; served seven terms in the Wyoming House of Representatives, Majority Whip, 1973-75, Majority Floor Leader, 1975-77, Speaker Pro Tempore, 1977.



John W. Warner (R-Virginia); Senator-elect; B.S., Washington and Lee University, 1949; J.D., University of Virginia, 1953; married (Elizabeth Taylor); seven children; Assistant U.S. Attorney, 1959; practicing attorney, Hogan and Hartson law firm, 1962-78; Under Secretary of the Navy, 1969; Secretary of the Navy, 1972.



R, Virginia

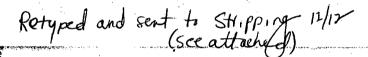
07 Dec 78

Jack Watson

The attached was returned in the President's outbox today and is forwarded to you for your information. The original has been given to stripping for mailing.

Rick Hutcheson

cc: Stripping







#### THE WHITE HOUSE

WASHINGTON

December 5, 1978

MEMORANDUM FOR THE PRESIDENT Jack Watson

FROM:

Mr. Rogers Morton, former Secretary of the Interior, and Member of Congress, called you vesterday and, at Fran's request, I returned the call.

Mr. Morton was simply calling to express his enthusiastic support for your decisions on the Alaska lands issues and to offer you his help in sustaining your decisions in the Congress. Mr. Morton said that you had acted both wisely and courageously, and that he applauded you for it.

I think it would be appropriate for you to write him a short hand-written note. A short typewritten letter is attached in case you wish to send it instead.

4.8

December 6, 1978

To Rogers C. B. Morton

This is just a short note to tell you how much I appreciate your taking the time and trouble to call me on the Alaska lands decisions.

Your support and offer of help mean a great deal to me.

Sincerely,

Mr. Rogers C. B. Morton Route One, Box 546 Easton, MD 21601



December 6, 1978

To Rogers C. B. Morton

This is just a short note to tell you how much I appreciate your taking the time and trouble to call me on the Alaska lands decisions.

Your support and offer of help mean a great deal to me.

Sincerely,

Mr. Rogers C. B. Morton Route One, Box 546 Easton, MD 21601

12 Dec 78

Jack Watson

Attached is the retyped version (with "The Honorable") of the President's note to Rogers Morton. It has been given to Stripping for mailing.

Rick Hutcheson

cc: Stripping





#### THE WHITE HOUSE

WASHINGTON

December 6, 1978

To Rogers C. B. Morton

This is just a short note to tell you how much I appreciate your taking the time and trouble to call me on the Alaska lands decisions.

Your support and offer of help mean a great deal to me.

Sincerely,

The Honorable Rogers C. B. Morton

Route One, Box 546

Easton, Maryland 21601







07 Dec 78

Anne Wexler

The attached was returned in the President's outbox today. It is forwarded to you for appropriate handling.

Rick Hutcheson The Vice President Stu Eizenstat Alfred Kahn Hamilton Jordan Jerry Rafshoon





# Electrostatic Copy Made for Preservation Purposes

THE WHITE HOUSE

December 6, 1978

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ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER June

SUBJECT:

Anti-Inflation Outreach Efforts

This is to bring you up to date from my previous memorandum. By January 1, we will have completed the first phase of activities. This provides the basis for a second phase during January, February and March to continue developing public support for the anti-inflation efforts in general while building support for specific legislative initiatives which should be forthcoming at that time.

As background, these activities are timed to the issuance of final regulations by December 15 at the latest. Based on this, the following activities are to have been completed by January 1:

- 1. Speakers Bureau: Approximately 100 Administration officials will have been trained. As of this date the bureau has handled or is handling approximately 100 speaking engagements in addition to Senior Staff and Cabinet speakers. This volume will increase in the new year as our work with many national organizations with networks (such as the Rotary, Kiwanis, trade associations and the like) begins to yield invitations to their local organizations.
- 2. Regional Officials: As soon as the regulations are completed, we will train top regional federal officials so that they can fill speaking requests and can generate their own local opportunities. This training will be completed by the end of January.
- 3. Democratic Party: By Christmas all the Democratic state chairs, the executive committee and the finance committee will have been briefed through activities at the White House or the Mid-Term

Convention. This will provide the basis for further work with rank and file party leaders in particular communities.

- 4. Community Leaders: By Christmas a number of other community leaders -- local chamber of commerce officials, business leaders, League of Women Voters, consumer leaders -- will have been briefed through White House meetings and through visits by Lee Kling to several cities. Lee's meetings have also included some local labor leaders as well. Based on these activities, we should have a cadre of supporters in various cities on which we can build further.
- 5. State and Local Initiatives: By January 1 the COWPS and local strategy paper should have been agreed to by the public interest groups. They will then begin working with their members to implement the strategy paper. We will have the opportunity to further this effort by our own meetings with state and local officials.
- 6. Consumer Participation: The COIN program (on which Esther, Fred and I have sent you a separate memorandum) has gotten started. By January 1 we should be in a position to work in local communities through the COIN coalition on initiatives in the four key consumer sectors -- housing, food, energy and health.
- 7. Advertising Council Campaign: Discussions continue with the Ad Council on a campaign supporting the anti-inflation effort. If these discussions are successful, this campaign will have a national impact beginning some time in February. It will be important in providing public relations support to all the initiatives indicated above.
- 8. Business Leaders: By late December, we should have the result of our efforts with business leadership to obtain compliance from the Fortune 500. This should be the basis for further work with individual leaders in the business community.

9. Press Activity: By January 1, two updated anti-inflation reports will have been released. These reports will be continued in the new year and will be one basis for educating the written press about shifts and adjustments in our emphasis. All the regular out-of-town editors briefings have included an inflation component and radio actualities are being made available explaining the anti-inflation efforts and recent developments.

Beginning in January, our outreach strategy needs to shift from predominantly seeking business and labor compliance and general public support to the following objectives:

- making the program more meaningful for the average person through efforts in areas that touch them most directly -- particularly consumer issues;
- developing state and local government activities to show that the program is reaching across the country and into local communities;
- developing compliance with the program by locally prominent business leaders based on the support of national business leaders;
- involving rank and file labor and Democratic party officials through further briefings explaining the rationale for the program and consumer oriented activities;
- using the foregoing to develop public support for our legislative initiatives, particularly real wage insurance.

It is clear that we should not rely simply on our Washington lobbying abilities to create public support for our legislative program. This is most important for the budget and if real wage insurance is to pass quickly. In short, we will utilize Washington and regional officials in meetings around the country to further those initiatives which will be completed by January 1 while at the same time creating broader support for our legislative program. We hope to be able to coordinate our efforts in local communities and to target and time where we do this to respond to our Congressional needs.

ID 786103

## THE WHITE HOUSE

## WASHINGTON

D	ATE:	

06 DEC 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

STU EIZENSTAT

JERRY RAFSHOON

ALFRED KAHN

SUBJECT: WEXLER MEMO RE ANTI-INFLATION OUTREACH EFFORTS

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

<del>44444444444444444444444</del>

ACTION REQUESTED: YOUR COMMENTS

BY:

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

6085

THE WHITE HOUSE WASHINGTON 07 Dec 78

Arnie Miller

The attached was returned in the President's outbox today and is forwarded to you for your information. The origina has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder





#### THE WHITE HOUSE

WASHINGTON

December 4, 1978

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

My experience over the last eight months as your Assistant Special Counselor on Inflation and Deputy to Ambassador Strauss has been extremely rewarding and enjoyable. I want you to know how much I appreciate your making this opportunity possible.

As you have pointed out, inflation is our nation's most crucial economic concern. During the past several months, the groundwork has been laid for a comprehensive and sustained attack on this critical problem. With the guidance of Bob Strauss and your other economic policy advisers, and now with the addition of Alfred Kahn, I know that your program is developing the broad support necessary to insure success.

With this in mind, I am anxious to return now to my work in the private sector. You may rest assured, however, that I will continue to support vigorously and speak on behalf of the anti-inflation program, as well as your other programs which I endorse so enthusiastically.

The experience of working with you and your fine staff has been a privilege I will remember and treasure. Needless to say, I will always be available to assist you in any way possible.

With my deepest devotion and respect,

Sincerely,

. Lee Kling

12/6/78

Mr. President:

ONE SIGNATURE REQUESTED

on response to Lee Kling's resignation. You have just appointed him to the Board of Directors of AMTRAK.

Rick

### To Lee Kling

I have your letter advising me of your need to devote more time to your interests in the private sector.

I want to take this opportunity to personally express my gratitude and appreciation for the contributions you have made to my Administration, especially your tireless dedication to our fight against inflation. I know I can count on your continued support in this effort, as well as your willingness to serve on the Board of Directors of AMTRAK.

I trust that in the days and months ahead I may continue to seek your advice and counsel. You have my warmest wishes for continued success.

Sincerely,

Timmy Carter

Mr. S. Lee Kling The Plaza 800 Twenty-fifth Street, N.W. Washington, D.C. 20037



ID 786085

#### THE WHITE HOUSE

## WASHINGTON

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05 DEC 78

FOR ACTION: ARNIE MILLER

INFO ONLY:

SUBJECT: PRESIDENTIAL LETTER FROM S. LEE KLING

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- + BY:

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ACTION REQUESTED: YOUR COMMENTS IMMEDIATE TURNAROUND

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

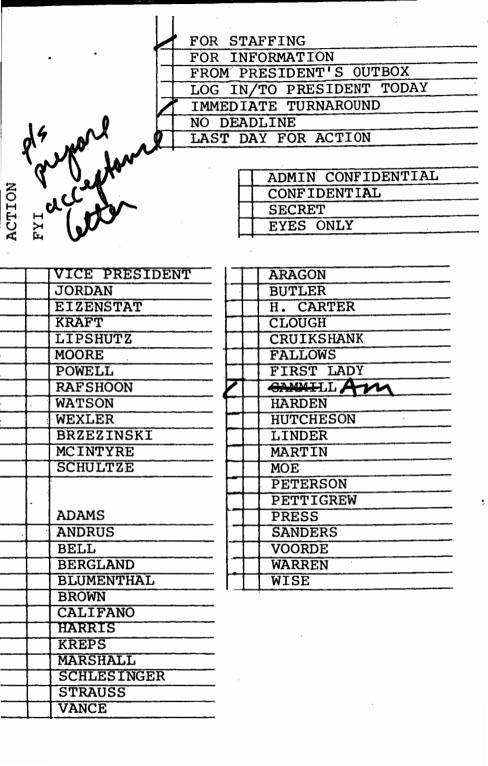
PLEASE NOTE OTHER COMMENTS BELOW:

Arnie Miller

Please prepare acceptance letter.

Rick Hutcheson

IMMEDIATE TURNAROUND



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With my deepest devotion and respect,

Sincerely,

S. Lee Kling

# THE WHITE HOUSE

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December 6, 1978

MR. PRESIDENT:

I am leaving for Memphis this afternoon with Chairman White and Evan Dobelle to participate in a political meeting Thursday in advance of the Conference on Friday.

Hamilton Jordan

Electrostatic Copy Made for Preservation Purposes

8:45 AM

THE WHITE HOUSE WASHINGTON

December 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JODY POWELL

RE :

White House Correspondents Breakfast

Thursday, December 7, 8:30 am

This notebook contains photos of the White House correspondents who will be attending the breakfast tomorrow morning.

Don Irwin, of The Los Angeles Times, will be seated on your right, and Paul Healy, of The New York Daily News, will be on your left. They were chosen for the head table on the basis of seniority -- they have held White House press passes longer than any of the other reporters attending.

The format of the breakfast will basically be the same as the last one, with one change: I would like for you to arrive in the State Dining Room about 8:45 or 8:50 am. The correspondents will have had time to eat breakfast, and they will be ready for the question and answer session when you arrive.

07 Dec 78

Frank Moore

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

Hamilton Jordan Zbig Brzezinski





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THE WHITE HOUSE

December 6, 1978

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MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE

Senator Howard Baker has invited Nancy and me to go to Moscow with him from January 4-7. Since Congress does not reconvene until January 15, I could do it with your approval.

Baker is traveling with Senators Danforth (R-Mo.), Hayakawa (R-Calif.), Garn (R-Utah) and Tower (R-Tex.). Garn and Tower are certainly not uncommitted on SALT. I would be the token Democrat on the trip.

What do you suggest?

cc: Hamilton Jordan

Zbigniew Brzezinski

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# THE CHAIRMAN OF THE COUNCIL OF ECONOMIC ADVISERS WASHINGTON

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EYES ONLY

December 6, 1978

MEMORANDUM FOR THE PRESIDENT

From:

Charlie Schultze CLS

Subject:

Producers (Wholesale) Prices in November; Business

Plans for Capital Spending in the First Half of

1979

Tomorrow (Thursday, December 7) at 9:00 A.M., the Bureau of Labor Statistics will release the November index of producers prices. At 9:30 A.M., the Commerce Department will release the results of its latest survey of business plans for capital spending, which covers anticipated expenditures for the first half of 1979. The news is quite disappointing.

# Producers Prices in November

The index of all producers finished goods went up 0.8 percent last month (an annual rate of 9.4 percent) -- compared with increases of 0.9 percent in both September and October. The improvement, however, was due entirely to a more moderate rise in prices of consumer finished foods. Prices of nonfood items went up faster in November (0.8 percent) than in September and October (0.6 percent in each month).

The slower November rise of consumer food prices at wholesale may help hold down inflation at the grocery store over the next month or two. Prices of citrus fruits dropped 40 percent in November, after approximately doubling since last spring. Meat prices declined 1 percent; livestock prices also declined at the farm level by 1.2 percent. Meat supplies, however, are likely to remain relatively low at least until the second half of next year, so that relief from this source of price pressure will probably be shortlived.

Among nonfood finished goods, large price increases were widespread. Prices of gasoline and other refined petroleum products rose 1-1/2 to 2 percent; new car prices were up 1 percent (mainly reflecting higher prices for imports), and prices for many classes of machinary went up 1 percent or more.

We suspect (but we have no solid evidence) that some of the rise in prices of nonfood finished goods may have stemmed from producers' reactions to the anti-inflation program. On the basis of extensive contacts, we believe that most businesses will abide by the price standards. But they can enhance profits by "front loading" -- that is, putting through allowable price increases as early as possible. Such behavior could continue to push up the price indexes over the next few months, but then lead to lower price increases thereafter.

## Business Plans for Capital Spending

The outlook for real economic growth next year hinges critically on the behavior of business capital spending. One of the two major differences between the CEA forecast and the more pessimistic ones of outside forecasters involves the behavior of business investment -- our forecast incorporates a continuation of real growth in investment, albeit at a lower rate than in 1979. (The other big difference relates to housing.)

The new Commerce Department survey of business investment plans for the first half of next year indicates that these outlays are likely to be less than we had expected. This survey was taken in late October and early November, so that the results only partly reflect our November actions to shore up the dollar. While the survey has not been perfect in the past, it does provide some important evidence on business spending plans.

The survey suggests a bulge in outlays for capital equipment in the current quarter, so that outlays for 1978 as a whole would be up 12.7 percent over 1977 -- more than expected in the August-September survey. But during the first two quarters of next year, the planned increase in investment spending is no larger than the expected rise in prices, so there would be little or no real increase.

Some of the expected bulge in the fourth quarter will probably spill over into the first half of 1979; a small increase in real business capital spending next year therefore still seems likely. But, if this survey is reflective of business spending plans, the pace of capital investment next year will be very sluggish.

Some of the other indicators of the course of business investment in the immediate future -- such as recent orders for nondefense capital goods -- have been rising strongly. While this survey might, therefore, be misleading us, we cannot dismiss it out of hand. If spending in this key

sector of the economy is slowing as much as the Commerce survey suggests, real GNP growth next year could be significantly less than 2 percent. We will, over the next several days, be analyzing these data carefully as an element in our final 1979 forecast (which is carried in the Budget Message and Economic Report).

07 Dec 78

#### FOR THE RECORD:

DOMESTIC Q'S AND A'S RETURNED TO DOMESTIC POLICY STAFF.

FOREIGN Q'S AND A'S RETURNED TO NSC.

### Mr. President:

Here is your press conference book updated slightly for the morning breakfast with the White House Press Corps.

Frankly, the only things you need look at are the first 8 pages (Domestic) and selected stuff in foreign especially the Guadalupe Summit, Iran, Defense.

Jody and I will stop in before the breakfast for last minute (overnite) things.

jerry

Sec. 15.

Office of the White House Press Secretary

#### THE WHITE HOUSE

The President of the French Republic, Mr. Valery Giscard d'Estaing, has invited the President of the United States, Mr. Carter, the Chancellor of the German Federal Republic, Mr. Helmut Schmidt, and the Prime Minister of the United Kingdom, Mr. Callaghan, to personal and informal conversations, on political matters and international developments of special interest to their mutual relations.

This friendly meeting will take place at Guadeloupe on the 5th and 6th of January 1979. Each chief of state or government will be accompanied by only one assistant.

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DRAFT PRESS ANNOUNCEMENT BY THE WHITE HOUSE

December 7, 1978

Subject: Approval of the Spanish Constitution

All people who love freedom and believe in Democracy won a victory in Spain yesterday.

The Spanish electorate overwhelmingly approved in a national referendum the draft democratic constitution placed before them by their elected parliamentary representatives. This occasion marks the culmination of courageous and determined efforts by the Spanish people, their representatives, and King Juan Carlos to establish a framework for Spanish democracy which meets with the approval of all Spaniards.

The success of the transition to democracy in Spain, and the manifest will of Spaniards across the political spectrum to establish a democratic system, have earned the admiration of people the world over who share similar ideals.

Yesterday's referendum symbolizes a remarkable and praiseworthy achievement. We want to congratulate the Spanish people on this occasion, and to reaffirm the hope and support of the American people and their government for continued success in this historic effort.

(The President will be calling King Juan Carlos Friday to express his personal congratulations.)